weekly economic review

July 6, 2012

Labour force

Alberta loses jobs but holds the lowest unemployment rate in Canada

Alberta's labour market took a breather in June, losing 8,600 jobs, following three months of solid gains. June's losses were concentrated in the goods sector, which lost 10,900 jobs, while the services sector added 2,400 jobs. Almost half of Alberta's job declines were in part-time positions (-5,200).

The job losses pushed Alberta's unemployment rate up only 0.1 percentage points to 4.6%, maintaining the lowest rate in the country.

Alberta has added 55,400 jobs since June 2011, a 2.7% increase and behind only Newfoundland and Labrador (4.0%) for the highest year-over-year job growth in Canada.

Nationally, job creation was virtually unchanged (7,300) for the second straight month. Ontario was the only province to post a significant employment increase (20,200). Compared with 12 months earlier, national employment increased 1.0% or 181,100 jobs. The national unemployment rate dropped 0.1 percentage points to 7.2%.

Building Permits

Permits continue to increase

The total value of building permits rose 7.6% in May, aided by a 13.2% increase in residential permits and a 2.4% increase in non-residential permits. The monthly gains continue a three month string of robust growth.

Year to date, Institutional & Government (112.3%) and Commercial (26.5%) permits have jumped, while industrial (-27.3%) permits are down, averaging out to a 14.4% year to date increase in non-residential construction.

Residential permits are up by 23.1% through the first five months of 2012. The overall increase in the value of permits is a positive signal for construction activity in Alberta.

US Employment

Unemployment rate stays put as job gains fall short of expectations

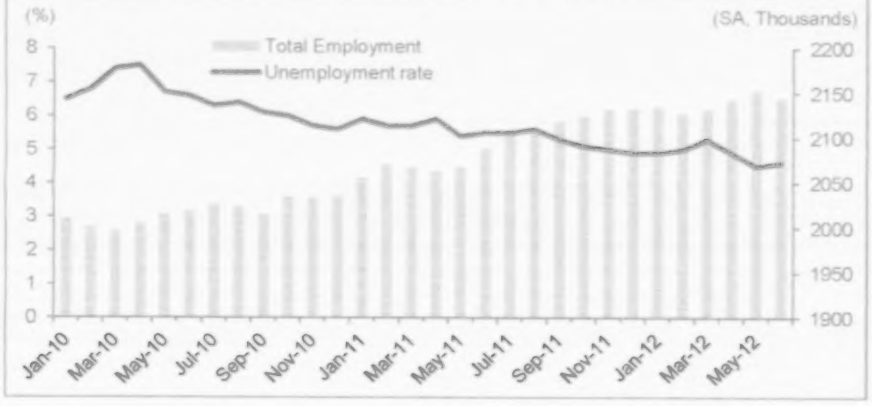
The unemployment rate in the US remained unchanged at 8.2% in June as nonfarm payrolls climbed by a modest 80,000, marking the 3rd monthly gain below 100,000 in a row. Professional and business services grew by 47,000, and employment in manufacturing also continued to climb, adding 11,000 jobs last month. Second quarter job growth averaged 75,000 jobs per month, a sharp deceleration from the first quarter growth of 226,000 jobs per month.

Global Economy

Central banks announce supportive monetary policy

This week, European, Chinese and UK central banks moved to lower borrowing costs in an attempt to stimulate economic activity in their respective economies. The European Central Bank cut its benchmark lending and overnight rate by 25 basis points in light of a disappointing 11.1% unemployment rate across the European Union. Meanwhile, The Peoples Bank of China cut the interest rate on one-year loans to 6% and the deposit rate to 3% in response to the weakest GDP growth in nearly three years. The Bank of England announced further quantiative easing in reaction to a 0.3% GDP contraction in the first quarter.

Alberta Labour Market



Source: Statistics Canada

Closing Prices	June 29, 2012	July 5, 2012	2012–13 Fiscal YTD
Canadian Dollar ($US/$CAN)	$0.97	$0.97	$0.99
WTI Oil ($US/bbl)	$84.96	$87.22	$93.03
NYMEX Natural Gas ($US/MMBtu)	$2.62	$2.56	$2.37

Alberta Economic Indicators[1]

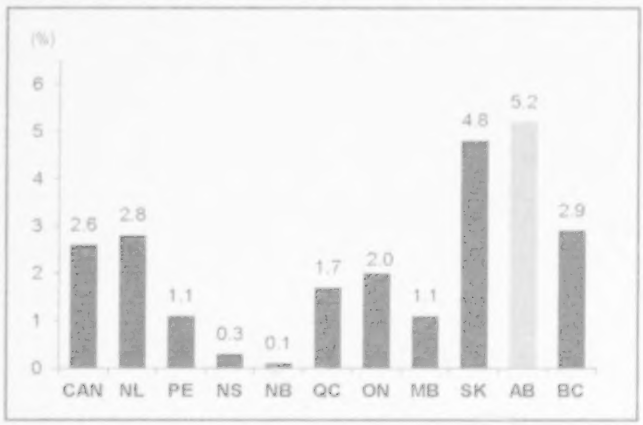
Population	2010	2011	2012YTD	Jan	Feb	Mar	Apr	May	Jun
Population[2] ('000s)	3,721	3,779	3,847	3,818			3,841		
% change	1.3	1.6	2.0	2.0			2.4		
Net Interprovincial Migration[2] (level)	3,071	13,660	20,542	4,010			16,906		
Net International Migration[2] (level)	21,793	14,093	17,506	6,397			8,071		
Net Non-permanent Residents[2] (level)	125	7,988	5,042	106			2,640		
Labour Market									
NEW: Employment ('000's)	2,018	2,096	2,130	2,130	2,138	2,132	2,143	2,150	2,144
% change	0.4	3.8	3.4	3.9	3.8	3.1	3.9	4.1	3.7
NEW: Unemployment Rate (%)	6.5	5.6	4.9	4.9	5.0	5.3	4.9	4.5	4.6
NEW: Participation Rate (%)	72.8	73.7	73.9	74.1	73.7	74.0	73.9	73.7	73.7
Average Weekly Earnings ($)	993.26	1,038.69	1,058.02	1,056.05	1,054.80	1,054.38	1,060.82	-	-
% change	4.6	4.6	2.9	2.5	2.4	2.1	2.8	-	-
Price Indices									
Consumer Price Index	1.0	2.4	1.5	2.9	1.9	1.7	0.8	0.4	-
Excluding food and energy	0.8	0.8	1.5	1.4	1.0	1.5	2.1	1.5	-
Non-Res. Building Const. Price Index[3]	0.1	3.4	4.5	-	-	4.5	-	-	-
Farm product Price Index	1.5	17.2	4.1	7.3	4.2	2.0	-	-	-
Crops	-9.7	18.5	-9.0	0.6	-3.9	-14.4	-	-	-
Livestock	5.7	17.2	10.9	15.1	9.6	8.2	-	-	-
Household Sector									
Housing Starts (SAAR '000's)	26.9	25.6	32.9	25.9	31.9	35.2	37.0	41.4	-
% change	34.8	-5.2	46.9	24.2	40.6	-68.4	67.1	58.1	-
New Housing Price Index[4]	0.5	0.4	0.7	0.7	0.7	0.6	1.2	-	-
Edmonton	-0.8	0.9	0.9	1.3	0.1	0.9	1.3	-	-
Calgary	1.7	0.1	0.5	0.1	0.4	0.3	0.9	-	-
MLS Average Resale Price ($ '000's)	350.9	352.7	358.4	341.0	350.5	359.4	367.5	368.2	-
% change	3.1	0.5	1.3	-2.7	1.2	2.5	1.3	4.1	-
Edmonton ($ '000's)	326.5	324.2	332.4	322.2	324.5	331.3	337.3	334.1	-
% change	2.9	-0.7	3.1	-0.7	4.8	2.8	2.9	4.1	-
Calgary ($ '000's)	397.4	401.9	403.8	378.5	410.5	407.8	408.0	414.1	-
% change	3.4	1.1	0.1	-6.2	9.5	-2.4	1.3	2.9	-
Retail Sales	6.6	6.9	0.5	11.1	9.2	9.1	7.8	-	-
New Motor Vehicle Sales	9.5	9.6	13.0	23.6	31.8	12.9	1.3	-	-
Consumer Bankruptcies (level)	8,150	7,029	2,141	511	541	588	501	-	-
% change	18.4	13.8	16.5	10.8	16.2	16.5	16.3	-	-
Business Sector									
Rig Utilizing (level)	207	285	260	401	453	398	141	66	134
% change	61.3	37.9	-3.5	7.8	9.0	-2.5	-34.4	-42	-27.5
Goods Export, Nominal (level)	12.6	18.3	15.9	14.9	17.2	17.3	15.2	-	-
Energy	17.4	19.2	18.5	14.5	17.6	19.2	20.7	-	-
Agriculture	-14.3	21.4	22.2	27.4	18.4	28.1	17.3	-	-
Total Farm Cash Receipts (quarterly)	-3.7	16.3	28.3	-	-	28.3	-	-	-
Manufacturing Shipments	11.4	18.0	12.9	14.8	16.5	12.7	7.9	-	-
Wholesale Trade	8.5	15.0	16.8	15.7	16.3	14.4	20.3	-	-
NEW: Building Permits	1.3	11.7	19.0	23.8	22.6	16.9	49.5	26.0	-
Residential	22.4	5.2	22.2	24.2	50.3	21.8	7.5	-	-
Non-residential	18.3	20.9	10.5	51.7	52.9	64.6	157.8	-	-
Business Bankruptcies (level)	378	264	84	20	25	19	20	-	-
% change	-6.7	-30.2	-11.6	-33.3	13.6	-26.9	17.6	-	-

[1] Year- to- date represents the change since the beginning of the year compared to the same period in the previous year.
[2] Unless otherwise indicated, all figures are year- over- year percentage change.
[3] Quarterly, annual numbers are presented on a census year basis (July 1 – June 30).
[4] Quarterly average of Calgary and Edmonton.

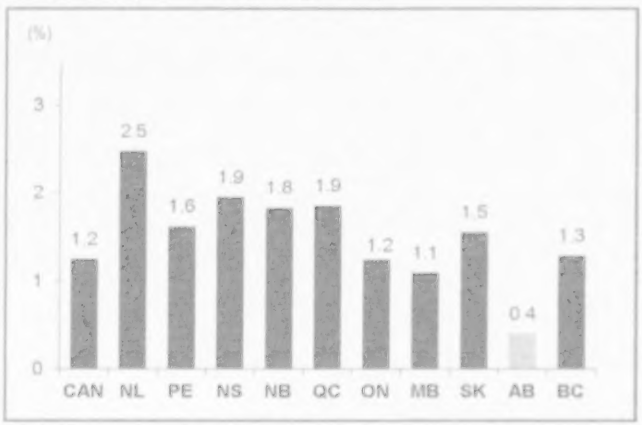
Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada).

Economic Indicators by Province

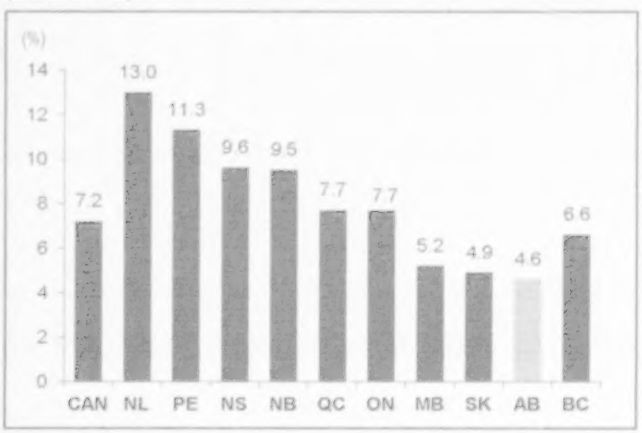
Real GDP Growth by Industry
(2011 preliminary estimates, year-over-year growth)



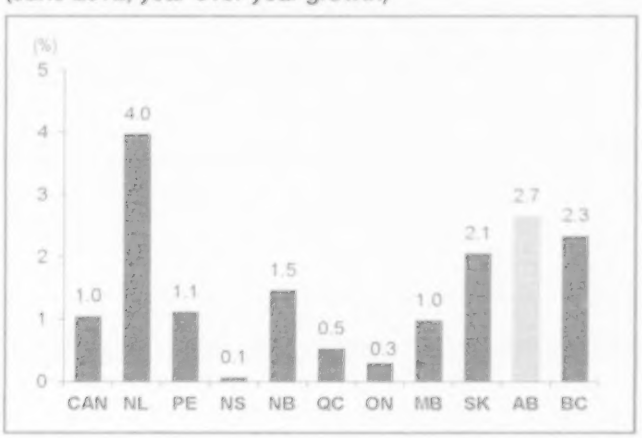
CPI Inflation
(May 2012, year-over-year growth)



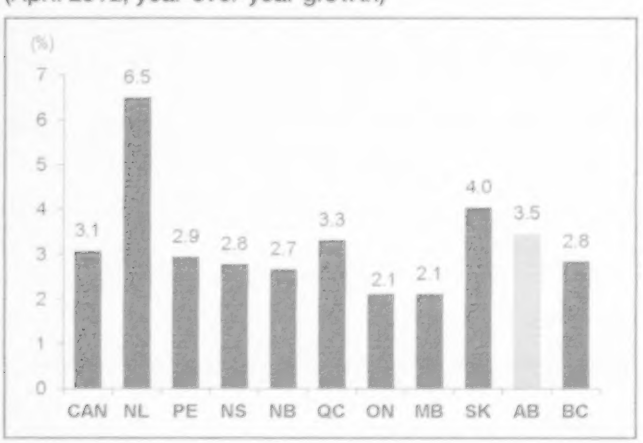
Unemployment Rate
(June 2012)



Employment
(June 2012, year-over-year growth)



Average Weekly Earnings
(April 2012, year-over-year growth)



Housing Starts
(May 2012, SAAR, year-over-year growth)